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SUBJECT: MEDIA REACTION: ECONOMIC CRISIS, CENTRAL ASIA

Editorial Quotes

11. ECONOMIC CRISIS

a. "China should learn to deal with a high unemployment rate in order to develop"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(12/22): "The slowing economy has led factories to cut jobs. Joblessness in China is rising, prompting fears of social unrest. How well can China handle this problem will determine China's sustainable development. China shouldn't be afraid of a high unemployment rate as it is just a natural outcome of the adjustment to a market economy. China is entering the industrial age but it is far from industrialized. Knowledge-intensive industries such as the high-tech industry should receive more attention than labor-intensive industries. The workforce needs to be redirected to those industries. To handle a high unemployment rate China should improve its unemployment insurance and assistance systems and train people for reemployment."

1B. "China should build a domestic demand-driven consumer society"

Zheng Yongnian, head of the East Asian Institute of National University of Singapore said in an interview with the official Xinhua News Agency international news publication International Herald Leader (Guoji Xianqu Daobao) (12/22): "The prospects of China's export-oriented economy are gloomy. China's economy has been serving the overseas market long enough and now it's time to serve its own people. The only way out is to create a domestic demand-driven consumer society. To maintain China's economic growth there are two solutions. One is investment, the other is consumerism. A consumer society needs a solid foundation such as social insurance system, health care and education. Since China's GDP growth has been very high in the last few years it is the best time to set up a social insurance system and to build a consumer society. Regarding the international environment, if China doesn't become a consumer society, the international economic order will never change. Social reform in China cannot be avoided."

12. CENTRAL ASIA

"What games are Americans playing in central Asia?"

The official daily newspaper of China's Communist Youth League Youth Daily (Zhongguo Qingnianbao) (12/21): "It is nerve-wracking to think that America will use a war to overcome the economic crisis. Americans are using their military bases in central Asia to watch all the countries there including China. In this region Americans pay more attention to Russia and China. They have been trying to launch long-range early-warning aircraft in this region. Although the EU, NATO, Turkey and Iran are trying to expand their influence in Central Asia, Central Asian countries' only motivation is economic benefit. No matter how the situation changes in Central Asia no single country can dominate this region. The door is open

to all. "

RANDT